

**MINUTES**  
**January 4, 2001**

**Seattle City Employees' Retirement System**  
**Regular Board Meeting**

**Thursday, January 4, 2001 - 9:30 a.m.**  
**Arctic Building - Room 1003**

**Present:** Jan Drago Jim Fletcher, Lou Walter, John Curtin and Frank Mathews.

**Absent:** Dwight Dively and Norma McKinney.

**Also Present:** Russ Teller – ARSCE, Eddie Haw – ARSCE, Ken Leask – ARSCE, Bill Farrell – ARSCE, Jim Coover – ARSCE, Gene Lawson, Ed Kidd – ARSCE, MaryKay Doherty, Karen Steffen – Milliman & Robertson, Kirk Jones – ARSCE, John Love – ARSCE, Jack Fahlstrom – RCLEA/ARSCE, Diana Douglas – IFPTE/Local 17, Roger Howeler, Mel Robertson and Norm Ruggles.

**Public Comment:** Eddie Haw commented about the need for better sound in the room. Gene Lawson also mentioned the need for a speaker system. Gene then asked if the City provides any other type of funding to the Retirement System than normal contributions and was told that it does not. He then stated that the Police Dispatchers Guild endorses the 2% COLA enhancement that the Board had previously considered.

**Minutes:**

Upon motion by Jim Fletcher, seconded by John Curtin, the Retirement Board approved the minutes, from the December 7, 2000 Retirement Board meeting.

**Ratification of Retired Payroll, Office Payroll, other Billings and Withdrawals:**

**Information:** The following items represent normal expenses and nothing extraordinary.

Service	\$ 4,336,012.45
Disability	52,471.20
Beneficiary	549,661.64
Additional Annuities	<u>51.85</u>
<b>Pension Payroll – December 2000</b>	<b>\$ 4,938,197.14</b>

<b>Office Payroll - pay period ending December 5, 2000</b>	<b>\$ 19,969.23</b>
<b>Office Payroll - pay period ending December 19, 2000</b>	<b>\$ 19,866.18</b>

**Vouchers Processed - from November 30, 2000 through December 27, 2000** \$ 289,644.29 \*

\* \$ 252,111.30 Expert and Consultant Services

Upon motion by Jim Fletcher, seconded by John Curtin, the Board ratified the Retired Payroll, Office Payroll, other Billings and Withdrawals.

## Immediate Withdrawal of Contributions

<u>Member</u>	<u>Department</u>	<u>Position</u>
Abrahams, Richard D	Seattle Center	Admin Spec Support
Agreen, Scott	ESD	MSA
Drake, Todd A	Park	Work Training Enrollee
Frazier, James Michael	SPU	Info Technology Prof
Gross-Buckley, Earlene	ESD	Admin Spec I
Grossman, Christine L	Park	Maint Laborer
Jaeger, Gina	ESD	Claims Analyst
Larsen, Larry L	Park	Fabricator
Martinez, Lisamarie	TES	Flagger
Matthias, Bruce E.	Light	Lineworker
Oleson, Steven J	Seattle Center	Sr Finance Analyst
Orr, Thomas R	Law	City Attorney
Park, Jin Hyun	SPU	Research Aide
Rennie, Jane Maree	DCLU	Land Use Planner
Savage, Diane S.	Health	Dentist
Trammell, Theresa L	HSD	Intake Rep
Wright, Lloyd Herbert	ESD	Photographer

## Ratification of Service Retirements:

**Information:** The following list represents the retirements that have been processed since the last Retirement Board meeting.

<u>Member</u>	<u>Retired</u>	<u>Years</u>	<u>Days</u>	<u>Department</u>	<u>Position</u>	<u>Age</u>	<u>Option</u>
Cosby, Thomas E.	12/12/2000	4	147	Dual Member	Vested/Light/Lineman	58	D
Kelley, James	12/02/2000	32	17	City Light	Hydro Operator II	54	B
Nakanishi, Ray T.	12/02/2000	31	222	Police	Executive I	59	S, G-100
Schrenzel, Sharon M.	12/11/2000	12	259	K.C. Health	Vested/Oral Health Asst	57	A
Strong, Joan E.	12/01/2000	30	214	K.C. Health	Public Health Nurse	67	B

Upon motion by Frank Mathews, seconded by Jan Drago, the Retirement Board approved the service retirements listed above, pending final review.

## Ratification of Investment Transactions and Statement of Securities and Cash:

Upon motion by Frank Mathews, seconded by Lou Walter, the Retirement Board approved the investment transactions and statement of securities and cash.

Norm Ruggles commented about an article in Tuesday's Wall Street Journal regarding the poor performance of various indexes during 2000, and how our portfolio has, due to diversification, suffered less than the equity indexes.

## **Investment Committee Report:**

It was announced that the Investment Committee is scheduled to meet at noon on Wednesday, January 31, 2000 in the Retirement Office, if a meeting is needed.

## **Executive Director Report:**

The following summarizes the Executive Director's monthly report to the Board:

1. To improve customer service, staff: is working on obtaining an "800" long distance telephone number; is beginning to revise literature and forms to improve their content and readability; received a customer service presentation at a December 13 staff meeting.
2. Mel and Norm had a productive meeting with Diana Douglas of IFPTE Local 17 and John McCarty of Labor Relations to discuss the proposed addition of two staff members.
3. The lease for the Retirement Office expires on April 30, 2001. It is likely that the Credit Union lease will be renewed.
4. No changes in actuarial assumptions will be made pursuant to the audit by Buck Consultants.
5. Norm presented to the Board the possibility of Milliman & Robertson doing an off-year actuarial valuation as of January 1, 2001. It was the consensus of the Board that an actuarial valuation not be requested this year.
6. Norm is considering the options for conducting an asset/liability modeling project. He plans to have a recommendation on how to proceed at the next Board meeting.
7. The NCPERS Annual Conference is April 8-12, 2001 in Las Vegas, with additional trustee education on April 6 and 7. The GFOA Annual Conference is June 3-6, 2001 in Philadelphia.
8. Mel discussed the list of priorities he has prepared for implementing the suggestions made by the City Auditor, and gave an update on the items that have been completed and the projects currently in progress.
9. Mel gave a written and verbal report on the recommendation of the Investment Committee and staff for a Commission Recapture and Directed Brokerage Program. The recommendation was that the Board approve Bank of New York ESI and Magna Securities to conduct this program. Upon motion by Lou Walter, seconded by Frank Mathews, the Board unanimously approved the recommendation.

## **Old Business:**

### **(1) Status of Benefit Enhancements (Old Business)**

Norm Ruggles reported that the unions , except IBEW Local 77, have expressed a desire for bargaining the Board's recommended benefit enhancements. Labor Relations is hoping the unions, as a group, will agree to bargaining the proposed changes. Diana Douglas reported that the unions will bargain the changes as a group.

Karen Steffen discussed who would be affected and who would benefit from the 70% ROPP, or Floor COLA, with or without implementation of the 1.5% COLA. This was in response to a question raised at a previous Board meeting.

### **(2) Executive Director Performance Objectives (Old Business)**

This item is continued.

**(3) Benefits Based on Contributions vs.  
Benefits Based on Final Average Salary with 60% Maximum**

**(Old Business)**

Mary Kay Doherty of the Law Department reviewed draft legislation that would modify the Municipal Code to reflect the practice that has been in place, to provide an alternate retirement benefit calculation based on contributions, whenever the calculation would provide a benefit in excess of 60% of the member's final compensation. Mary Kay is working on other revisions to SMC 4.36.210 to update and clarify that section of the Code.

**New Business:**

No further business was conducted.

**Adjournment**

Upon motion by Lou Walter, seconded by John Curtin, the Retirement Board voted to adjourn the meeting.

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Norma McKinney, Secretary